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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting held on 20.05.2020 under the Chairmanship of Shri Amit Yadav, Director General of Foreign Trade

Meeting No.02/AM21 held on 20.05.2020

The following members were present in the meeting:

1. Shri R. P. Goyal Addl. DGFT
2. Shri Vijay Kumar Addl. DGFT
3. Shri Hardeep Singh Addl. DGFT
4. Shri Anil Aggarwal Addl. DGFT

Following cases were discussed. The decision taken on the individual cases are as under:-

S. No	Name of the firm	Case No.
1.	M/s. Sozin Flora Pharma, Sirmour, H.P.	1
2.	M/s. A.N. Traders, Kannauj (U.P.)	2
3.	M/s. K.C. Coconut Products, Kerala	3
4.	M/s. Florence Shoe Company Pvt. Ltd., Chennai	4
5.	M/s. Alps Industries Limited, Ghaziabad	5
6.	M/s. R.R. Kabel Ltd., Mumbai	6
7.	M/s. Oswal Industries Limited, Gandhinagar	7
8.	M/s. Indo Rama Synthetics (India) Ltd., Nagpur	8
9.	M/s. Chirag Pack (India) Pvt. Ltd., Mumbai	9
10.	M/s. Nazareth Metals, Mumbai	10
11.	M/s. M/s Godrej & Boyce Mfg Co. Ltd., Mumbai	11
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13.	M/s. Dot Services Limited, Telangana	13
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16.	M/s. Shakti Balaji International, Kolkata	16
17.	M/s. La-Demure, Noida	17
18.	M/s. Expo Fine Chemical Inds., Gujarat	18
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20.	M/s. Pon Pure Chemical India Private Limited, Chennai	20&21
21.	M/s. Neuland Laboratories Limited, Hyderabad	22
22.	M/s. Chhotanagpur Rope WorksPvt. Ltd., Kolkata	23
23.	M/s. National Exports Corporation, Amritsar, Punjab	24
24.	M/s. Skoda Auto Volkswagen India Private Ltd.	25

Case No. 01 M/s. Sozin Flora Pharma, Sirmour, H.P.
F. No. 01/60/162/855/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Request for closure of 7 EPCG Authorisations No.(i) 3330000733 dated 21.03.2007, (ii) 3330000752 dated 19.04.2007, (iii) 3330000759 dated 08.05.2007, (iv) 3330000824 dated 13.08.2007, (v) 3330000873 dated 31.10.2007, (vi) 3330000794 dated 05.07.2007 and (vii) 3330001048 dated 30.06.2008 by paying TED amount with interest towards discharge of EO.

The applicant stated that they had taken the above mentioned 7 EPCG Licenses for indigenous purchase of Machinery. They had claimed TED refund against these EPCG Licenses. However, their machinery supplier had not taken any advance authorization. No duty drawback was availed against the invalidation letter issued under the said EPCG Authorisations. They have not been able to fulfill the obligation and for closure of the file they are ready to pay TED amount along with interest. Supplier had not taken any benefit against the invalidation letter issued under the said EPCG Authorisations. The total outflow from the government is only TED amount which they are ready to pay back with interest. They are ready to submit a self-declaration to indemnify any revenue loss to the government. Hence, requested for acceptance of TED amount towards discharge of EO.

Decision: The Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Firm is required to regularize their EO default as per the extant provisions of FTP/HBP. Accordingly, the Committee decided to reject the request of the firm.

(Action: Applicant)

Case No. 02 M/s. A.N. Traders, Kannauj (U.P.)
F. No. 01/60/162/899/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: To count the export of 1 free Shipping Bill No.7951280 dated 01.10.2018 against Advance Authorisation No.0610038863 dated 24.04.2018 towards fulfillment of E.O.

The applicant stated that they had completed the export obligation of above mentioned authorization against the above mentioned free shipping bill amounting to Rs.35,64,000/-. They have fulfilled all their EO as they have received more than the required payment. Since, they are new in the trade and this is the first advance authorization, they have committed the mistake and made the export against the free shipping bill, but completed their EO on time and realized payment. Hence, requested for exemption from non-compliance of stipulated procedure.

Decision: The Committee after examining the case in detail, decided to reject the request as the same was found to be without any merit.

(Action: Applicant)

Case No. 03 M/s. K.C. Coconut Products, Kerala
F. No. 01/60/162/889/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: 2nd EOP extension against Advance Authorisation No.1010060004 dated 01.08.2018 issued under appendix 4J condition.

The applicant stated that the authorization was issued for import of Copra against Export of Coconut Oil as per SION Sl.No.E-12. Against the second bill of entry due to some business reasons, they were not able to complete the exports within the stipulated period but exports had already been performed, beyond the period. Statement showing the details of obligation fulfillment within EOP and beyond EOP is as under:

(i) The authorization was issued for import of 5,00,000 Kgs and they had imported Copra vide two bill of entries dated 12.09.2018 and 25.01.2019 for a quantity of 51,845 Kgs and 1,00,224 Kgs (actual import) respectively.
(ii) As per the first bill of entry they had completed the exports within time and seek extension for exports for the imports made under second bill of entry.
(iii) EO with reference to actual import is 66,373.50 Kgs (within prescribed period of 90 days).
(iv) EO fulfilled within 90 days is 8,773.88 Kgs (i.e. within 24.04.2019).
(v) Unfulfilled EO is 57,600 Kgs.
(vi) Within first extension period of 45 days (half the EOP as per para 4.42 (d) of HBP).
(vii) EO fulfilled within first extension period of 45 days is 13,736.00 Kgs
(viii) Unfulfilled EO is 43,764.50 Kgs.

Hence, requested 2ndextension in EOP for exports already performed as per para 4.42(f) of HBP.

Decision: The Committee went through the submission made by the firm and discussed the matter at length. The Committee decided to allow EOP extension up to 31.10.2019 (6 months extension from date of expiry of EOP i.e. 24.4.2019) against second import of Advance Authorization No.1010060004 dated 01.08.2018 for regularization purpose only subject to the payment of composition fee @1% per month on the unfulfilled FOB value on the date of expiry of original EOP. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA, Cochin)

Case No. 04 M/s. Florence Shoe Company Pvt. Ltd., Chennai
F. No. 01/60/162/554/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Relaxation of shortfall of 2.5% in Annual Average for regularisation and closure of EPCG License No.0430015889 dated 17.06.2016.

This is review case of PRC Meeting No.25/AM20 dated 24.12.2019 (Case. No.19) wherein the case was rejected by the Committee.The applicant stated that they have received bulk orders to be executed in the year 2016-17, but due to certain market conditions and difficulties, their overseas buyer has reduced their purchase. The drop in the export orders has left a high impact on the company, as they had invested quite a bit of money on the infrastructure, Technical Man power and purchases to supply the initial overseas orders. With aggressive marketing and frequent visits, they were able to achieve a export income of Rs.216 crores, out of which one crore has been compensated towards EO, leaving Rs.215 crores on Annual Average at the close of the year. But there is a short fall of 5 crores Indian Rupees on the required Annual Average of Rs.220 crores. They are short of 2.5% of the Annual Average. There is a considerable drop in the realization value, due to decline in the FOB value in comparison with the previous years. The export Annual Average in the year 2017-18 and 2018-19 had dipped, leaving a backlog, which they have to fulfill in the coming years. Hence, requested to give them a relief of 2.5% rebate on the Annual Average for the year 2016-17 enabling them to close the said EPCG License.

Decision: The Committee reviewed the case in detail in view of the justification provided by the firm and noted that the applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. EPCG committee had rejected the request earlier giving detailed reasons, which are still valid. Accordingly, the Committee decided to maintain rejection of earlier decision of PRC Meeting No.25/AM20 dated 24.12.2020 (Case.No.19).

(Action: Applicant)

Case No. 05 M/s. Alps Industries Limited, Ghaziabad
F. No. 01/60/162/820/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: To allow TED refund against RA File No.05/40/83/0058/AM18/CLA dated 30.06.2017.

The applicant stated that they are a manufacturer exporter working under EPCG Scheme and have procured spares from M/s Moksha Thermoplastics Pvt. Ltd., Gujarat under EPCG Authorisation No.0530162431 dated 06.03.2014, vide invoice No.3899 dated 26.03.2014, 4029 dated 30.03.2014, 1460 dated 26.08.2014 and 1488 dated 27.08.2014 and made the payment in July, 2014 itself and submitted the TED application along with BRC (in Appendix 22B), for refund of TED on 30.06.2017 to CLA, New Delhi. They received a query letter to submit eBRC through their banker, as per the requirement and satisfaction of CLA, New Delhi only by the end of May 2018 due to some technical/systems issue. Therefore, the reply was submitted to CLA, New Delhi after receipt of the same on 29.06.2018, but the same was rejected by CLA, New Delhi vide letter dated 07.10.2019 on the ground that "Para 7.05 of HBP 2015-20 states that application to be filed 12 months from date of receipt of 100% payment. Whereas you have filed the application on 30.06.2017 i.e.

not within 12 months from the receipt of payment as per bank certificates submitted with application. Hence, your application is time barred". Therefore, they are requesting to consider their TED refund application worth Rs.1,19,269/- as the last payment dated of realization was 31.07.2014 and they submitted their application to CLA, New Delhi on 30.06.2017 i.e. within 2 years from the prescribed date of submission (i.e. 12 months + 2 years from last date of payment) therefore late cut may be imposed only in their case as per Para 9.02(iii) of HBP 2015-20.

Decision: The Committee took into account the statement made by the firm as well as the report received from the RA concerned. It observed that application for TED has been filed after more than 3 years of date of realization of payment. Hence application is time barred. Committee did not find any merit in the firm's contention. Accordingly, it decided to reject it.

(Action: Applicant)

Case No. 06 M/s. R.R. Kabel Ltd., Mumbai
F. No. 01/60/162/896/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: 2nd revalidation of Advance Authorisation No.0310814941 dated 31.07.2017and enhancement of FOB value of exports and proportionate enhancement of CIF value of imports in terms of Para 4.39 of HBP.

The applicant stated that the first extension was granted for 6 months from 31.07.2018 to 31.01.2019, but before 15.11.2018 they completed the exports. The value of exports achieved was higher than EO stipulated in license. Therefore, on 15.11.2018 they apply for enhancement of FOB value of exports and proportion enhancement of CIF value of imports in terms of Para 4.39 of HBP. The enhancement application was not decided before the expiry of 31.01.2019. On 27.12.2018, PN 63 was issued amending Para 4.41(c) of HBP giving power to Regional Authority to grant 2nd revalidation for 6 months for making imports proportionate to export obligation already fulfilled. Since their application for enhancement was pending and was not decided, before expiry of first revalidation (31.01.2019), we applied on 31.12.2018 for second revalidation for six months in terms of aforementioned PN 63. Neither enhancement nor second revalidation was given. Meanwhile, vide deficiency letter dated 17.01.2020, RA informed them that request for second revalidation cannot be given because six months from 31.01.2019 has already been expired and since license has expired, enhancement of value also cannot be given. Further, stated that as, they had applied for enhancement on 15.11.2018 and second revalidation on 31.12.2018 which are both well before the expiry of the first revalidation on 31.01.2019, there was no lapse on their part.They have achieved high exports and earned foreign exchange. Hence, requested for enhancement and second revalidation of above mentioned Advance Authorisation.

Decision: The Committee went through the statement made by the applicant in its application and decided to defer the case and seek a detailed chronological report from RA, Mumbai.

(Action: RA, Mumbai/Applicant)

Case No. 07 M/s. Oswal Industries Limited, Gandhinagar
F. No. 01/60/162/891/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Permission to claim advance license benefit in terms of Para 8.3 and 8.4 of FTP 2009-14 against the supply falls under deemed export category and eligible for advance license for duty free import of inputs and terminal excise duty refund.

The applicant stated that they had received an order No.PLM/PHDPL/12/29/24089121 dated 06.03.2014 from M/s Indian Oil Corporation Ltd., Noida for the supply of various types of valves and spares. They executed the entire order during September 2014 by supplying all types of valves and spares vide their 26 invoices. In all supply invoices they had mentioned invalidation letter number 0559002992 dated 10.09.2014 and EPCG License No.0530163343 dated 08.09.2014. After completing supply they collected all post supply documents from IOCL and applied for TED refund from RA, Ahmedabad and received refund also. The above supply falls under deemed export category in terms of Para 8.2(c) of FTP and eligible for following benefits in terms of para 8.3 and 8.4 of FTP effective from 05.06.2012. (a) Advance License for duty free import of inputs and (b) Terminal Excise Duty refund. Though they have claimed TED refund, due to lack of policy knowledge they failed to claim advance license benefit by using the invalidation letter. Therefore, requested to permit them (i) to apply for advance license by using the invalidation letter; (ii) to accept documents submitted by them for claiming TED refund and documents towards fulfillment of EO and grant them EODC and (iii) to allow import of inputs by using advance license for replenishment purpose as allowed in Para 4.1.5 of FTP w.e.f.05.06.2012. They had completed 100% EO by supplying ordered items to EPCG license holder M/s IOCL obtained BRC towards proof of fulfillment of obligation. EPCG license number and invalidation details are mentioned in each supply invoice. EPCG license of IOCL is valid for export till September 2020.

Decision: The Committee discussed the case at length and found no merit in the arguments made by the firm and hence decided to reject the request of the firm.

(Action: Applicant)

Case No. 08 M/s. Indo Rama Synthetics (India) Ltd., Nagpur
F. No. 01/60/162/176/AM19/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Permission of discharge export obligation in clubbing 3 Advance Authorisations No.(i) 5010001410 dated 09.07.2012, (ii) 5010001773 dated 12.07.2013 and (iii) 1110021433 dated 15.12.2009 (2 from RA, Nagpur and 1 from RA, Bhopal).

This is review case of PRC Meeting No.10/AM19 dated 09.08.2018 (Case.No.14).The applicant stated that they are manufacturing 5 final products (POY, PSF, DTY, FDY and PET Chips) and advance authorization taken for each final product separately and raw materials for all final products are common (PTA, MEG, SB203, TIO2 & SFO). Market trend for export of their final products declined from 2011 and w.e.f. 05.06.2012 EOP of advance authorization reduced to 18 months from 36 months. It has caused very hardship to close outstanding advance authorization individually. Actually, they have incurred huge loss because their five years long term contract for import could not sustain. Long terms contract input procurement is much cheaper provided other terms and conditions of exports are met. In spite of all possible efforts including installed capacity to export, they could not complete as planned for export based on FTP policy during 2010-11 which was changed on 05.06.2012. Hence, requested to allow clubbing of above 3 advance authorization and discharge EO in clubbing and EOP extension of base advance authorization having initial EOP 36 months and to consider EO completed within 48 months from the date of initial advance authorization.

Decision: The Committee having reviewed the case on the basis of justification furnished by the firm observed that there is no merit in firm's contention and decided to maintain rejection of the request of the firm as in earlier PRC meeting no. 10/AM19 dated 09.08.2018 (Case.No.14).

(Action: Applicant)

Case No. 09 M/s. Chirag Pack (India) Pvt. Ltd., Mumbai
F. No. 01/60/162/897/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Waiver of submission of bill of export documents for supplies/exports made to SEZ towards redemption of Advance Authorisation No.0310789982 dated 07.10.2014.

The applicant stated that they are submitting documentary proof i.e. copies of Tax Invoice and its relevant ARE-1 duly indicated advance authorization number and date and duly certified by excise authorities in place of Bill of Exports. Hence, requested to relax/waiver of submission of bill of export document for suppliers /exports made to SEZ towards the issuance of EODC/Redemption against the above mentioned advance authorization.

Decision: The Committee examined the statement made by the firm and discussed the matter at length. The Committee observed that Bill of Export is a mandatory document in terms of FTP for discharge of EO of advance authorization in case of supplies to SEZ Unit. Accordingly, the Committee decided to reject the request of the firm.

(Action: Applicant)

Case No. 10 M/s. Nazareth Metals, Mumbai
F. No. 01/60/162/885/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Extension in E.O. period of Advance Authorisation No.0310311652 dated 11.01.2005 for the export made outside the EOP (within 53 months).

The applicant stated that they had been granted the subject authorization for export of 23,000 Kgs of Copper based Alloys Ingots. They have exported 21,424 Kgs of export product within the validity of the license. However, proportion to their imports there was shortfall of 500 Kgs of Copper base Alloy Ingots. Since the export quantity being very small there was no buyer for the small quantity and they had to execute full container of 20,000 Kgs for meeting the shortfall for excess imports made against the license. In the said exports they have lost their import entitlement for import raw materials. They had exported copper based alloy ingots vide shipping bill No.7309749 dated 05.05.2009 for 20,813 Kgs. It will be seen that export as per license was 23,000 Kgs and they have exported 42,237 Kgs which is almost double the original export obligation. Hence, requested extension in EOP till 30.05.2009 to regularize the exports made and the license closed.

Decision: The Committee went through the justification provided by the firm and noted that there is no merit in the firm's contention to allow inclusion of exports made in the 53rd month of issue of the AA towards fulfillment of the EO. Accordingly, the Committee decided to reject it.

(Action: Applicant)

Case No. 11 M/s. M/s Godrej & Boyce Mfg Co. Ltd., Mumbai
F. No. 01/60/162/883/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Removal of export obligation clause (6 months) in serial No.22 of condition sheet of Advance Authorisation No.0310827437 dated 05.03.2019.

The applicant stated that their Advance Authorization was issued on 05.03.2019 with clause under Appendix 4J wherein EOP was for 6 months for import item no.3 with ITCH Code 72199090. Subsequently PC No.77/2015-20 was issued on 06.03.2019 wherein the above clause of EOP for 6 months for ITCH code 7219 was deleted. Their authorisation was issued on 05.03.2019 and the circular was issued on 06.03.2019 which was a difference of just One day in removal of the said clause, which was imposed on their advance authorisation. Hence, requested to remove the clause of Export Obligation period against import of item no.3 with ITCH code 72199090 in Serial No.22 of condition sheet of Advance Authorisation No.0310827437 dated 05.03.2019 in terms of PN No.77/2015-20 dated 06.03.2019.

Decision: The Committee went through the justification made by the firm and discussed the matter at length. Accordingly, the Committee decided to relax Appendix 4J condition (pre import and shorter EO period) against Import of Item No.3 with ITC HS Code 72199090 of Advance Authorisation No.0310827437 dated 05.03.2019. The firm shall approach RA concerned within 30 days of the uploading of the minutes of meeting.

(Action: Applicant/RA, Mumbai)

Case No.12 M/s. Vizag General Cargo Berth Private Ltd., New Delhi
F. No. 01/60/162/886/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Revalidation of SFIS No. 0510405771 dated 05.03.2018.

The applicant stated that the Kolkata Customs did not allow them to utilize the scrip stating that the items proposed to be imported seem to relate the manufacturing sector. Notification No.24/2013 dated 18.04.2013 has amended the Customs Notification No.91/2009 dated 11.09.2009 and allows import of capital including spares relating to the manufacturing sector business in case the Service Provider is also engaged in the Manufacturing Activity. At the time of actual imports and utilization of the SFIS Scrip, the Kolkata Customs did not allow them to utilize the Scrips and they have to clear several imports on payment of actual Customs Duty. In case the Kolkata Customs had allowed them to utilize the Scrip there would have been no need for seeking revalidation. The Kolkata Customs department totally ignored the provisions of Notification No.24/2013 dated 18.04.2013. Para 2.20(c) of the HBP 2015-20 provides that in case the validity of a Scrip expires while in the Custody of the Customs Authority then the revalidation will be granted. Since, the Kolkata Customs department continuously refused to allow them to utilize the Scrips for a period of 2 months it is covered under para 2.20(c) of HBP 2015-20. The global recession and the outbreak of Corona Virus further affected the prospects of utilizing the Scrips.

Decision: The Committee discussed the case at length and found no merit or hardship in the arguments made by the firm and hence decided to reject the request of the firm.

(Action: Applicant)

Case No. 13 M/s. Dot Services Limited, Telangana
F. No. 01/60/162/787/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Relaxation of condition and permission to alienate and relax the re-export condition with regard to the dump trucks allowed for importation vide PRC decision in its meeting No.11/AM16 dated 20.10.2015 and Meeting No.10/AM17 dated 10.07.2016.

This is a relaxation of the decisions taken in PRC Meeting No.11/AM16 dated 20.10.2015 and Meeting No.10/AM17 dated 10.07.2016. In PRC Meeting dated 20.10.2015, PRC imposed some conditions including that dump trucks imported are to be re-exported after completion of the project. The applicant stated that due to extensive and intensive use of the said old dump trucks it has resulted into heavy wear and tear. Maintenance have become cost ineffective due to being old and non-availability of spare parts and skilled maintenance engineers. Thus the said old dump trucks have lost their utility and hence they are not able to use them any further for the purpose for which they were imported. Secondly, regarding condition of re-exported on completion of the project. There is no overseas buyer to take them because of the aforementioned reasons added with heavy transport cost, which is almost higher than the price of dump trucks themselves. They have imported the dump trucks 4 years back and almost completed 4 out of 6 years project term. The requirement of dumpers for the quantum of balance work is such that they do not need to operate the said dumpers anymore in this project. Additionally, due to non operability of the said old dump trucks they had no option but to procure some dump trucks locally as well. With this factual position they will not be going to for any fresh imports as of now to replace these old and obsolete dump trucks. The dumpers are obsolete and not worthy of any further use and hence there are no buyer/s overseas for the same as well. In such circumstances, they have no alternative but to alienate the same locally. However, they are not able to alienate the said dumpers locally. Hence, requested to allow alienating the said dumpers by relaxing the non-alienation and re-export conditions as above.

Decision: The Committee reviewed the case and based on the justifications submitted by the firm along with comments received from PC-2(A), discussed the matter at length. The Committee decided to accept the request of the firm and relax the conditions of non-alienation and re-export of the dump trucks after completion of the project, which was imposed by PRC in its meeting No.11/AM16 dated 20.10.2015 (Case No.50) and allowed to alienate the said dumpers locally subject to following conditions;

(i) Firm shall furnish destruction/scrapping certificates to RA concerned; and
(ii) Registrations of these trucks with transport or any other department, if any, also need to be cancelled and submitted to the RA concerned.

(Action: Applicant/RA, Hyderabad)

Case No.14 M/s. Voyage India, Mumbai
F. No. 01/60/162/905/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: 2nd Revalidation of import license No.0350003520 dated 24.01.2018.

The applicant stated that they have raised purchase order on 03.12.2019 for import of THAI HOME MALI RICE as per above Import License and also Bill of Lading has been issued by Shipping Line on 15.01.2020. Shipment has already been arrived at Nhava Sheva Sea Port and they are getting demurrage on daily basis. Their Import License is expired on 23.01.2020. Hence, requested for revalidation to import balance quantity.

Decision: The Committee went through the submission made by the firm and discussed the matter at length. The Committee decided to allow revalidation for a period of one month from the date of endorsement of the Import License No.0350003520 dated 24.01.2018.The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA, Mumbai)

Case No.15 M/s. Asia Pulp & Papers Pvt. Ltd., Bangalore
F. No. 01/60/162/922/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Extension in E.O. period against EPCG Authorisation No.0730010061 dated 04.05.2011and also requisition to consider Free Shipping Bills towards EO.

The applicant stated that unfortunately all physical export Shipping Bills were assessed as Free Shipping Bills since no exports benefits were claimed. Also EPCG Authorisation Number was not mentioned in the relevant shipping bills. Exports to the extent of 59.67% in USD and 38.36% in INR is covered beyond original EOP. Hence, requested for extension in EOP and also requisition to consider Free Shipping Bills towards fulfillment of EO.

Decision: The Committee after examining the case in detail, it decided to refer the matter to EPCG Division for further examination.

(Action: Applicant/EPCG Division)

Case No. 16 M/s. Shakti Balaji International, Kolkata
F. No. 01/60/162/903/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Revalidation of Advance Authorisation No.0210207950 dated 07.11.2017.

The applicant stated that they had obtained the authorization for export of 180 M. Tons of PP Woven Bags and Imports of 198 M. Tons PP granules Polypropylene. During the validity period they have fulfilled the EO in quantity wise and value wise. They are unable to import due to non-availability of Raw Materials in Foreign Market. Authorisation validity of import already expired on 06.11.2018. After expiry of validity they have been granted for 1st revalidation by RA, Kolkata. During the extended period, they were unable to imports due to non-availability of Raw Materials in Foreign Market. After the expiry of 1st extended period they have contacted several times to foreign supplier tor availability of Raw Materials. In response foreign supplier have given the reason of non-availability of Raw Materials till March 2020, therefore they have not applied for 2nd revalidation to RA. Presently, their foreign supplier informed them that they are ready for supply of Raw Materials from the period **August 2020 to 15 December** 2020, if they confirm the same. Their supporting manufacturer has been continuously pressuring them to give the imported Raw Materials. If they will not give the imported Raw Materials to supporting manufacturer they will not give them the product for further exports. Hence, requested for revalidation up to December 2020.

Decision: The Committee went through the justification submitted by the applicant and discussed the matter at length and noted that the applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to reject it.

(Action: Applicant)

Case No. 17 M/s. La-Demure, Noida
F. No. 01/60/162/910/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Condonation of procedural lapse of not mentioning the advance authorisation number on S/Bills towards fulfilment of EO against Advance Authorisation No.0510362982 dated 20.08.2013.

The applicant stated that they had obtained the above authorization for import of raw material inputs against export of Imitation Jewelry. They had made exports of handicrafts Imitation Jewelry using imported inputs towards fulfillment of EO against the said license. But due to the procedural lapse, the advance authorisation number could not be endorsed on shipping bills. They have fulfilled EO against the said authorization. Hence, requested to condone the procedural lapse of not mentioning the license number in shipping bills and considered the said shipping bills towards EO fulfillment.

Decision: The Committee discussed the case at length and found no merit or hardship in the arguments made by the firm and hence decided to reject the request of the firm.

(Action: Applicant)

Case No. 18 M/s. Expo Fine Chemical Inds., Gujarat
F. No. 01/60/162/852/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Clubbing of 2 Advance Authorisations No.2410037438 dated 20.09.2012 and 2410041561 dated 26.08.2014.

The applicant stated that they would like to club of the above 2 authorisations issued for the same export product and under same Customs Notification issued by DGFT, Rajkot. They have already applied (with all relevant documents) for clubbing-cum-EODC on 20.05.2016. Further stated that (i)As per PN 70/2015-20 dated 30.01.2019 Para 4.38(vi) that, authorisations shall be clubbed which have been issued within 18 months from the date of issue of earliest authorization that is sought to be clubbed. However, they have obtained 2nd license within 24 months from the date of issue of earliest authorization. So relaxation for additional 6 months has been sought in this regard and (ii) As per PN 70/2015-20 dated 30.01.2019 Para 4.38(vi) this is further subject to condition that upon clubbing only imports made within 30 months from the date of issue of earliest authorization shall be considered. However, they have made imports under 2nd authorization within 40 months from the date of issue of earliest authorization. So relaxation of additional 10 months has been sought in this regard. They have fulfilled the rest of the other conditions for clubbing.

Decision: The Committee went through the submission made by the firm and noted that policy provisions on clubbing of Advance Authorisations are very clear.

Accordingly, it discussed the matter at length and found no merit in their case. Hence, decided to reject the request of the firm.

(Action: Applicant)

Case No. 19 M/s. Bharat Forge Limited, Pune
F. No. 01/60/162/909/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: To accept independent chartered engineer certificate for grant of EODC of Advance Authorisation No.3110064541 dated 09.07.2014 instead of statement of consumption inputs present in export product duly certified by Central Excise.

The applicant stated that they had obtained the said authorization for supplies to M/s Toyota Kirloskar Auto Parts Pvt. Ltd., Bangalore, who is 100% EOU and their supplies are considered as a Deemed Export in terms of Para 8.2(f) of the Policy. Norms for the products are fixed vide Sl.No.C360 of Engineering products. At the time of supplies, they had mentioned the Net Weight of supplies in their Invoice and ARE-3 and accordingly obtained Central Excise Certificate certifying the net weight of deemed export supplies. They have drawn attention to (i) Minutes of Trade Facilitation Meeting held in the office RA, Pune on 20.07.2016 that, "The net content and the specifications should be duly certified by Customs or Central Excise in export documents at the time of export and it cannot be substituted with Chartered Engineer of Chartered Accountant Certificate at a later date" and (ii) PC 10/2018-19 dated 13.07.2018, that, "Accountability of inputs where Advance Authorisations are issued on net to net basis for parts /components" has been considered and with a view to improve ease of doing business, a format of Accountability statement for grant of EODC from independent Chartered Engineer have domain knowledge will be accepted. They have fulfilled EO in respect of the said authorization. However, RA is insisting for statement of consumption inputs present in export product duly certified by Central Excise, in view of Trade Notice No.10/AM16 dated 29.03.2016 issued by RA. They are prepared to provide a certificate as per the above mentioned Policy Circular by an independent Chartered Engineer duly certifying the quantity consumed in the resultant product for the purpose of issue of EODC.

Decision: The Committee went through the justification submitted by the applicant and discussed the matter at length and noted that there is merit in the firm's contention. Accordingly, the Committee decided to accept certificate to be issued by the statutory auditors of the firm certifying the net content and specification used in the export product based on books/documentary evidence for grant of EODC of Advance Authorisation No.3110064541 dated 09.07.2014 instead of statement of consumption inputs present in export product duly certified by Central Excise. The firm shall approach RA concerned within 30 days of the uploading of the minutes of the meeting.

(Action: Applicant/RA, Pune)

Case No. 20 M/s. Pon Pure Chemical India Private Limited, Chennai
F. No. 01/60/162/005/AM21/PRC

PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Permission to issue import restricted license for supply to actual user of ISOPAR-H-1000 MT.

The applicant stated that they want an import authorization to import (Restricted) item ISOPAR-H-1000 MTs of value Rs.10,76,55,000/- with supply to actual user. This products is used as a reaction medium/cleaning solvents due to its inertness and zero odour hence it becomes very critical component in the manufacturing process of their customers. For most of their customers, the requirement is very small to the tune of 200 Kgs to 1000 Kgs, so they cannot import such quantities directly as the freight cost will be nearly triple the cost of the bulk import. Further, these products are not manufactured in India and they have been obtaining the license with supply to actual users for the last 5 years and their customers are in need of the product immediately for their production. All their buyers are actual users (Manufacturers) buying raw materials from them for the past several years. Hence, requested to grant them permission to import with supply to actual users to enable them to supply to the manufacturers.

Decision: The Committee examined the statement made by the applicant and discussed the matter at length. After deliberations, the Committee decided to relax actual use condition to the applicant subject to the firm furnishing quarterly returns to the RA about the firms to whom it would be supplying ISOPAR-H for their actual use. Accordingly PC-2 Division would examine and issue necessary instructions to RA to issue an import license to the firm.

(Action: Applicant/PC-2(A)

Case No. 21 M/s. Pon Pure Chemical India Private Limited, Chennai
F. No. 01/60/162/004/AM21/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Permission to issue import restricted license for supply to actual user of ISOPAR-G-200 MT.

The applicant stated that they want import authorization to import (Restricted) item ISOPAR-G-200 MTs of value Rs.2,20,57,600/- with supply to actual users. This product is used as reaction medium/cleaning solvent due to its inertness and zero odour hence it becomes very critical component in the manufacturing process of their customers. For the most of their customers, the requirement is very small to the tune of 200 Kgs to 1000 Kgs, so they cannot import such quantities directly as the freight cost will be nearly triple the cost of the bulk import. Further, these products are not manufactured in India and they have been obtaining the license with supply to actual users for the last 5 years and their customers are in need of the product immediately for their production. All their buyers are actual users (Manufacturers) buying raw materials from them for the past several years. Hence, requested to grant them permission to import with supply to the manufacturers.

Decision: The Committee examined the statement made by the applicant and discussed the matter at length. After deliberations, the Committee decided to relax actual use condition to the applicant subject to the firm furnishing quarterly returns to the RA about the firms to whom it would be supplying ISOPAR-G for their actual use. Accordingly PC-2 Division would examine and issue necessary instructions to RA to issue an import license to the firm.

(Action: Applicant/PC-2(A))

Case No. 22 M/s. Neuland Laboratories Limited, Hyderabad
F. No. 01/60/162/362/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: To allow SHIS benefit on pharma exports for the year 2009-10, 2010-11 and 2011-12.

This is review case of PRC Meeting No.25/AM20 dated 24.12.2019 (Case No.26) wherein the Committee has approved the case. The applicant stated that there was lot of confusion as to whether SHIS benefits to pharma industry is available or not. In various Pharma Council Meetings, it was always a confusion about the eligibility of SHIS to pharma exports. Certain RAs were issuing SHIS to Pharma exports, whereas others were not considering. Therefore, they could not apply for SHIS for the years 2009-10, 2010-11 and 2011-12. Even their application filed for the year 2012-13 was earlier rejected by RA, Hyderabad. Later they came to know that now it is clarified that Pharma exports are eligible for SHIS. Hence, requested to allow to file the applications for previous years i.e. 2009-10, 2010-11 and 2011-12.

Decision: The Committee reviewed the case on the basis of justification provided by the firm and noted that the applicant has not submitted any cogent reason/ justification in support of their request for waiver of the condition imposed by PRC in its Meeting No.25/AM20 dated 24.12.2019 (Case No.26). Accordingly, the Committee decided to reject it.

(Action: Applicant)

Case No. 23 M/s. Chhotanagpur Rope Works Pvt. Ltd., Kolkata
F. No. 01/60/162/486/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Clubbing of 2 Advance Authorisation No.0210206623 dated 19.04.2016 and 0210207898 dated 17.10.2017 towards discharge of EO.

This is deferred case of PRC Meeting No.24/AM20 dated 17.12.2019 (Case No.31) wherein the applicant did not turn up for PH. The applicant stated that due to slow down and increase in the import price they have made the import of 69 MTs beyond the 30 months period but within the validity of valid authorization. They have not taken any EOP extension for the above mentioned authorization. Export items are same. They have fulfilled the EO in terms of both the quantity and value as well. They have made the export within 18 months in each of both the authorisations.

Decision: The committee went through the statement made by the firm in its application and noted that the facts of the case have not been clearly specified by the firm and hence decided to call the firm for **Personal Hearing** along with all documents in support of their justification.

(Action: Applicant/PRC)

Case No. 24 M/s. National Exports Corporation, Amritsar, Punjab
F. No. 01/60/162/912/AM20/PRC
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: Removal of pre-import condition in respect of Natural Rubber as input item for issuance of DFIA against six RA File Numbers (i) 12/21/076/00001/AM17, (ii) 12/21/076/00002/AM17, (iii) 12/21/076/00003/AM17, (iv) 12/21/076/00004/AM17, (v) 12/21/076/00005/AM17, and (vi) 12/21/076/00009/AM17.

The applicant stated that they required DFIA Licenses to be issued with Natural Rubber as an input item. Request for permitting transferable DFIA with the inputs falling under Appendix 4J in terms of Para 4.25(b) of FTP which does not prescribe that Para 4.13 of FTP is applicable to DFIA and the Notification No.42 dated 21.03.2017 the provisions of Para 4.29(viii) was amended with imposition of restriction for non-issuance of DFIA for inputs falling under Appendix 4J. The notification imposes pre-import condition is prospective in nature and not retrospective. Thus all the exports made under DFIA, are prior to Notification No.42 dated 21.03.2017, should be exempted from pre-import condition. Hence, requested to issue DFIAs against above mentioned 6 RAs Files.

Decision: The Committee went through the justification made by the applicant and discussed the matter at length. The Committee observed that they had made all exports prior to Notification No.42 dated 21.03.2017. Accordingly, the Committee decided to exempt pre-import condition in respect of Natural Rubber as input item and issue of transferable DFIA against six Files numbers (i) 12/21/076/00001/AM17, (ii) 12/21/076/00002/AM17, (iii) 12/21/076/00003/AM17, (iv) 12/21/076/00004/AM17, (v) 12/21/076/00005/AM17, and (vi) 12/21/076/00009/AM17. The firm shall approach RA concerned within 30 days of the uploading of the minutes of the meeting.

(Action: Applicant/RA, Ludhiana)

Case No. 25 M/s. Skoda Auto Volkswagen India Private Ltd.
F. No. 01/89/180/14/AM-10/PC-2(A)
PRC Meeting No.02/AM21 dated 20.05.2020

Subject: To allow imported R&D Cars to ply on Indian Roads for testing purpose.

The applicant stated that they want to import 6 Cars from their parent company in Czech Republic for development testing of the cars and to run on India roads according to provision of CMVR Rule Section 41 (a) with a use of trade certificates issued by the registering authority for the purpose of testing.

(1) The details of the cars which will be scrapped after testing are;
(i) SEAT Arona (Vin No.VSSPRTKJ1LR000518) and
(ii) SEAT Arona (Vin No.VSSPRTKJ9LR000539).

(2) The details of the cars that will be re-exported after testing purpose is over are;
(i) SEAT Arona (Vin No.VSSPRTKJ9LR000511),
(ii) SEAT Arona (Vin No.VSSPRTKJ6LR000546),
(iii) SEAT Arona (de-registered vehicle) (Vin No. VSSZZZKJZJR107601) and
(iv) SEAT Arona (de-registered vehicle) (Vin No. VSSPRTKJ1LR1000079).

Hence, requested for approval to import the required Cars and run them on public road which is allowed under the CMVR provisions.

<u>Decision:</u> The Committee went through the justification furnished by the firm and discussed the matter at length. The Committee decided to allow to import 06 Cars for development testing of the cars and to run on Indian Roads as per CMVR Rule Section 41(a), subject to them getting necessary permission from M/o Road Transport and Highways. The details of the cars are as below:

(1) The Cars which will be scrapped after testing are;
- (i) SEAT Arona (Vin No.VSSPRTKJ1LR000518) and
- (ii) SEAT Arona (Vin No.VSSPRTKJ9LR000539).

(2) The Cars that will be re-exported after testing purpose is over are;
- (i) SEAT Arona (Vin No.VSSPRTKJ9LR000511),
- (ii) SEAT Arona (Vin No.VSSPRTKJ6LR000546),
- (iii) SEAT Arona (de-registered vehicle) (Vin No. VSSZZZKJZJR107601) and
- (iv) SEAT Arona (de-registered vehicle) (Vin No. VSSPRTKJ1LR1000079).

(Action: Applicant)

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